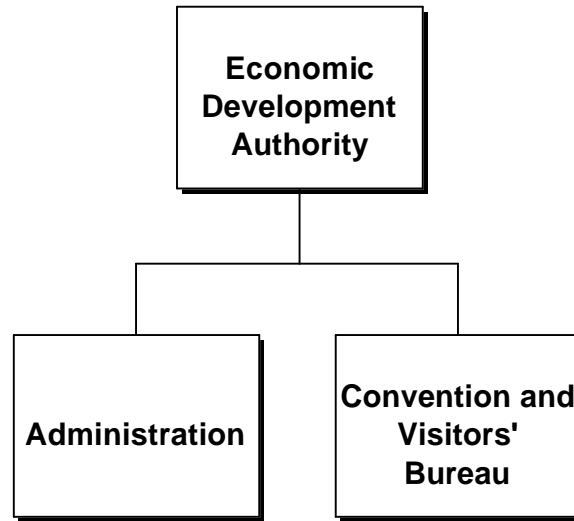


# ECONOMIC DEVELOPMENT AUTHORITY



## ***Agency Position Summary***

33 Exempt Positions / 33.0 Exempt Staff Years

### ***Position Detail Information***

#### **ADMINISTRATION**

1	Director (President) E
1	Director of Communications E
1	Director of International Marketing (Vice President, Marketing) E
1	Director of National Marketing E
1	Program Director (Vice President, Management) E
1	Director of Major Business E
1	Project Coordinator E
13	Planners III E
1	Planner II E
2	Planners I E
1	Information Officer III E
1	Computer Systems Analyst II E
1	Management Analyst II E
2	Administrative Assistants V E
2	Administrative Assistants IV E
1	Administrative Assistant III E
1	Administrative Associate E
32	Positions
32.0	Staff Years

#### **CONVENTION & VISITORS' BUREAU**

1	Planner III E
1	Position
1.0	Staff Year

E Denotes Exempt Positions

# ECONOMIC DEVELOPMENT AUTHORITY

## Agency Mission

To encourage and facilitate business and capital attraction, retention, and development in all of the business markets throughout Fairfax County; to promote the County's cultural, historical, and recreational attractions to business travelers; and to attract business meetings, conferences, and seminars to the County's meeting facilities in order to expand the County's nonresidential tax base.

Agency Summary					
Category	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan
Authorized Positions/Staff Years					
Exempt	33/ 33	33/ 33	33/ 33	33/ 33	33/ 33
Expenditures:					
Personnel Services	\$2,414,266	\$2,061,928	\$2,479,917	\$2,598,872	\$2,568,872
Operating Expenses	4,481,494	4,500,787	4,076,238	4,091,340	4,091,340
Capital Equipment	0	0	6,560	0	0
<b>Total Expenditures</b>	<b>\$6,895,760</b>	<b>\$6,562,715</b>	<b>\$6,562,715</b>	<b>\$6,690,212</b>	<b>\$6,660,212</b>

Summary by Cost Center					
Category	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan
Administration	\$6,555,767	\$6,102,350	\$6,102,350	\$6,224,301	\$6,194,301
Convention & Visitors Bureau	339,993	460,365	460,365	465,911	465,911
<b>Total Expenditures</b>	<b>\$6,895,760</b>	<b>\$6,562,715</b>	<b>\$6,562,715</b>	<b>\$6,690,212</b>	<b>\$6,660,212</b>

## Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2004 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2003:*

- ◆ The Board of Supervisors reduced EDA's compensation plan by \$30,000 to be consistent with the reductions in the Pay for Performance program for all other County agencies.

*The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan from January 1, 2003 through April 21, 2003. Included are all adjustments made as part of the FY 2003 Third Quarter Review:*

- ◆ An increase of \$6,560 in Capital Equipment and an offsetting decrease of \$6,560 in Operating Expenses were necessary to purchase computer printer hardware for the agency.

# ECONOMIC DEVELOPMENT AUTHORITY

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## ***County Executive Proposed FY 2004 Advertised Budget Plan***

### **Purpose**

The Fairfax County Economic Development Authority (FCEDA) is an independent authority legally created by an act of the Virginia General Assembly dated 1964, as amended. The Fairfax County Board of Supervisors appoints the seven members of the FCEDA's Commission that appoints the FCEDA's President. The Board of Supervisors appropriates funds annually to the FCEDA for operating expenses incurred in carrying out its mission.

The FCEDA has established two primary operational components to realize its goals. The Economic Development component provides direct assistance to businesses that intend to establish or expand their operations in the County and assists businesses with information provision, site location assistance, introductions to needed services and financing sources, and more. The Convention and Visitors' Bureau component has been established to attract business conventions and tourist trade to Fairfax County.

### **Key Accomplishments**

- ◆ Established a BioAccelerator facility in Springfield, VA targeting the bioinformatics and biotechnology industries.
- ◆ Conceived and successfully hosted the Emerging Business Forum in Fairfax County in FY 2001, 2002 and 2003 to brand Fairfax County as THE place for minority businesses to grow and succeed.
- ◆ Created 12,732 new jobs in FY 2002 in Fairfax County.
- ◆ \$347.8 million of venture capital invested in Fairfax County in FY 2002.

### **FY 2004 Initiatives**

- ◆ Continue to aggressively promote Fairfax County as a desirable place for domestic and international businesses to locate, and/or invest, as well as promote further expansion of existing business operations, meetings, and seminars.
- ◆ Encourage retention and growth of local businesses, including minority-owned and women-owned establishments, as well as to continue to clarify the FCEDA's role in revitalizing the County's older commercial areas.
- ◆ Pursue advertising and promotional strategies, building upon past campaigns, to enhance the image of Fairfax County as a primary business location and increase awareness of, and familiarity with, Fairfax County among site location decision-makers, business executives, and capital sources domestically and worldwide.
- ◆ Focus advertising programming on new business attraction in national and international markets via print, radio, television, and the Internet.
- ◆ Co-sponsor the third consecutive two and one-half day Emerging Business Forum to focus attention on Fairfax County as the premiere location for minority businesses. In FY 2003, this event attracted \$457,000 in sponsorship from Maryland, Washington, D.C., and Virginia businesses and communities.
- ◆ Continue funding for the Community Business Partnership, which provides assistance to minority and women-owned businesses in southern Fairfax County.
- ◆ Continue funding to support the annual operating costs of the Reston Visitors' Center at the same level as in the previous fiscal year.

# ECONOMIC DEVELOPMENT AUTHORITY

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- ◆ Continue to attract venture capital to support the growth of businesses in Fairfax County.
- ◆ Continue to develop the BioAccelerator, located in Springfield, as a focal point and catalyst for growth of bioinformatics and the biotechnology industry in Fairfax County. The BioAccelerator will attract and support the growth of such companies, creating a new employment base for the Springfield community, and further diversifying the Fairfax County Economic base.

## Current Economic Situation

The slowdown in the global technology market, particularly in the telecommunications sector that is/has a major presence in the County, has hampered efforts by the FCEDA to attract and retain employers, which has the direct effect of increasing the commercial tax base within the County and shifting the tax burden away from homeowners. Fairfax County's unemployment rate stood at 3 percent in August 2002, up from 0.9 percent in December 2000. In the middle of calendar year 2002, initial unemployment claims in the region were running far ahead of the 2001 pace. Collection of sales taxes and many other revenue sources were running behind 2001 levels as well. The amount of venture capital invested in Fairfax County companies – a key barometer of the health of the industry – dropped to roughly \$100 million per quarter in 2001 and 2002, compared to \$300 million per quarter in 2000. The office vacancy rate for Fairfax County reached 16.5 percent in mid-2002, 18.6 percent in the Tysons Corner market and 24 percent for the combined Reston/Herndon market. When comparing this data to December 2000, the rate for Fairfax County was 3.5 percent, 2.2 percent for Tysons Corner and 3.4 percent for the combined Reston/Herndon market. An increase in vacancy rates reduces the demand for new office space, which limits the amount of revenue that comes from non-residential sources. At the same time, the County expects 10,000 to 12,000 new residents each year through 2020, when the population is expected to hit about 1.2 million. The influx of new residents has created new demands for housing that have escalated residential assessments. Because of that and the relatively slow growth of assessments of commercial properties, the burden of paying for schools and other County services has shifted more to the County's homeowners. Enrollment in the County's school system continues to grow, but state government in 2002 cut state aid to local school districts to balance its budget. Since 1976 sustained economic development efforts have helped transform Fairfax County into a technology and business hub and increased the commercial share of the County tax base from the mid-1990s to 2001. Continued efforts to promote Fairfax County in key markets to attract more business to the County, and work to help companies already here thrive and grow, will help expand the commercial tax base and allow businesses to shoulder more of the tax burden of paying for needed County services.

## Performance Measurement Results

The FCEDA is charged with attracting jobs, taxes, and capital investment to Fairfax County and its business community. In FY 2002, 12,732 jobs were created in Fairfax County; \$347.8 million in venture capital was invested in Fairfax County. The proportion of the real estate tax base that came from nonresidential sources over a three-year period was 25.37 percent in FY 2001, 24.84 percent in FY 2002 and 21.97 percent in FY 2003.

The Convention and Visitors' Bureau (CVB) numbers for FY 2004 were adjusted after a drop in the FY 2002 actual numbers. The current economic slowdown accounts for the drop in Room-Night Leads and Meeting-Lead Referrals.

The number of visitors to the Visitors' Center, as well as the number of referrals made by Visitors' Center staff in FY 2004, is predicted to rise as more visitors are driving to vacation destinations.

The drop for the CVB Performance Indicators can also be attributed to the September 2001 terrorist attack on the United States. Immediately following the attack, bookings and meetings were cancelled. Although the long-term effects on the tourism industry in Fairfax County are unclear, there is still a negative effect on this sector more than a year later.

# ECONOMIC DEVELOPMENT AUTHORITY

## Funding Adjustments

The following funding adjustments from the FY 2003 Revised Budget Plan are necessary to support the FY 2004 program:

- ◆ An increase of \$118,955 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ An increase of \$4,931 in Operating Expenses for Information Technology infrastructure charges based on the agency's historic usage and the Computer Equipment Replacement Fund (CERF) surcharge to provide for the timely replacement of the County's information technology infrastructure.
- ◆ An increase of \$3,611 in Operating Expenses for Department of Vehicle Services charges based on anticipated charges for fuel, the County motor pool, vehicle replacement, and maintenance costs.

The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan since passage of the FY 2003 Adopted Budget Plan. Included are all adjustments made as part of the FY 2002 Carryover Review and all other approved changes through December 31, 2002:

- ◆ An adjustment of \$417,989 in Personnel Services to reflect changes made in FY 2002, and an offsetting decrease in Operating Expenses of \$417,989 due to salary adjustments necessary to support the FCEDA's compensation program.



## Administration

Cost Center Summary					
Category	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan
Authorized Positions/Staff Years					
Exempt	32/ 32	32/ 32	32/ 32	32/ 32	32/ 32
<b>Total Expenditures</b>	<b>\$6,555,767</b>	<b>\$6,102,350</b>	<b>\$6,102,350</b>	<b>\$6,224,301</b>	<b>\$6,194,301</b>

## Goal

To foster and promote the governmental, social, educational, and environmental infrastructure to make Fairfax County a world-class, 21st Century business center and the global capital of the knowledge industry.

## Performance Measures

### Objectives

- ◆ To create 10,000 new jobs in FY 2004.
- ◆ To continue to attract 1.4 percent of the market share of growth for venture capital funds in the United States against a national four-year rolling average to Fairfax County.

# ECONOMIC DEVELOPMENT AUTHORITY

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate/Actual	FY 2003	FY 2004
<b>Output:</b>					
Business announcements	147	192	130 / 146	95	90
Jobs created	13,082	13,367	13,000 / 12,732	10,000	10,000
Companies entering incubator program	2	7	13 / 11	15	10
Incubator graduates staying in Fairfax County	NA	1	3 / 1	4	5
<b>Efficiency:</b>					
Cost per job attracted	\$467	\$469	\$496 / \$515	\$610	\$619
<b>Outcome:</b>					
Venture capital attracted (1)	1.25%	1.60%	1.40% / 1.36%	1.40%	1.40%

(1) The Outcome shows a percentage of the Market Share for Venture Capital funds in the United States that is projected to be attracted by Fairfax County businesses. The indicator reflects the percentage attracted from the Venture Capital fund in the United States against a national rolling four-year average.



## Convention and Visitors' Bureau

Cost Center Summary					
Category	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan
Authorized Positions/Staff Years					
Exempt	1/ 1	1/ 1	1/ 1	1/ 1	1/ 1
<b>Total Expenditures</b>	<b>\$339,993</b>	<b>\$460,365</b>	<b>\$460,365</b>	<b>\$465,911</b>	<b>\$465,911</b>

## Goal

To continue serving as the central point for Fairfax County on travel and tourism efforts for promoting Fairfax County as a destination for business meetings and conferences, as well as promoting local Fairfax County attractions.

## Performance Measures

### Objectives

- ♦ To establish 45,000 room-nights from meeting leads in FY 2004, fewer than FY 2003.
- ♦ To create 2,500 meeting leads in FY 2004.
- ♦ To make 32,000 referrals to Fairfax County businesses from the Visitors' Center in FY 2004, more than FY 2003.

# ECONOMIC DEVELOPMENT AUTHORITY

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate/Actual	FY 2003	FY 2004
<b>Output:</b>					
Room night leads	57,160	56,519	61,800 / 34,405	50,000	45,000
Meeting lead referrals	3,913	6,052	4,151 / 1,016	2,500	2,500
Referrals from the Visitors' Center	28,230	24,108	29,355 / 29,153	22,000	32,000
Visitors to Visitors' Center	57,910	53,882	61,436 / 54,679	50,000	56,000
<b>Efficiency:</b>					
Cost per visitor to Visitors' Center	\$1.34	\$1.38	\$1.25 / \$1.32	\$1.55	\$1.38
<b>Service Quality:</b>					
Percent of requests responded to for Visitor Center	100%	100%	100% / 100%	100%	100%
<b>Outcome:</b>					
Percent change in room night leads	(7%)	(1%)	9% / (39%)	45%	(10%)
Percent change in meeting lead referrals	(0.3%)	55.0%	(31.0%) / (83.2%)	146.1%	0.0%
Percent change in Visitors' Center referrals	1%	(15%)	22% / 21%	(25%)	45%